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THE SECTORAL AND SPATIAL STRUCTURE OF RETAIL TRADE IN GREECE, 1951-69

Although the distributive systems of Western Europe and North America have been the subject of a considerable amount of research activity[1], there has been relatively little similar work done on the distributive system of Greece. In part this is a reflection of the paucity of readily available information on both the retail and wholesale trades, but it is also an indication of the lack of consideration given by governments to the significance of this sector in either the national or regional economies. Yet, employing about ten per cent of the labour force, and a rather higher proportion in the towns, it is of importance in terms of its absolute size as well as its functional role as the link between the producers and consumers of goods. The efficiency of the distributive system has an important bearing on the costs of goods, and on the ease with which producers can respond to market changes or consumers are made aware of new or improved products. Moreover, the amount and productivity of capital that is tied up in the system is a topic to be considered in the light of competing demands for investment in other sections of the economy. The role which the system plays in economic development is therefore important since structural changes in the system which increase its efficiency and reduce the costs of distribution should benefit producers and consumers alike whereas the maintenance of traditional, less efficient structures may have a retarding effect on the development process.

This paper provides some basis for further research into the distributive systems of Greece by using 1969 census data to extend the work of Preston[2] on the retail sector of distribution. Attention will be focussed on the sectoral characteristics of retail trade, and evidence for productivity changes will be considered. The spatial characteristics of retail trade will be examined, and an assessment made of the probable direction of trends in Greek retailing since 1969 and their implications for economic planning.

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1. For a review and synthesis of this work see, for example, R. L. Davies,*Marketing Geography* (Corbridge, 1976).
2. L. E. Preston, *Consumer Goods Marketing in a Developing Economy,* Centre for Planning and Economic Research, Research Monograph No. 19 (Athens, 1968).

Data Sources

Data on the numbers of establishments and employment within them are available from four post-war censuses or surveys in Greece. The first was conducted in 1951 at the same time as a population census, and covered commercial establishments (wholesale, retail and hotels). The results appear only in a statistical year book[3]. The first detailed census was in 1958 and covered both industrial and commercial establishments, the former in greater detail[4]. In 1962 a sample survey of commercial establishments was made to provide a basis for an index of retail sales: it was only conducted in places with a population in 1961 of more than 5,000, and since the published results are minimal[5] they are not used in this study. The most recent census was in 1969, and was of both industrial and commercial establishments[6].

A complete analysis of channels of distribution should include a consideration of wholesaling and turnovers, but unfortunately the Greek data do not adequately permit this. Although the censuses do present data on wholesaling, their validity has been open to serious questioning: the comment has been made, for instance, that the wholesale trade data "are little more than isolated facts of unknown significance"[7]. No data on turnover are collected by the censuses, and one must rely on crude estimates from National Accounts data and consumer expenditure surveys. In particular this hampers the investigation of productivity in this sector, and any enquiry into this must generally be content with attempting to identify trends rather than with precisely quantifying them.

Problems of comparability arise in using the 1951, 1958 and 1969 censuses. The classification of retail activity in the 1951 census is as follows:

> Food, drink and tobacco
> Clothing
> Furniture and home furnishings
> Personal goods
> Raw materials, machinery etc.
> Other goods

3. National Statistical Service of Greece, *Statistical Summary of Greece* (Athens, 1954).

4. Ibid, *Recensement des Establissements Industriels et Commerciaux Effectué le 15 Novembre 1958* (Athens, 1961).

5. Ibid, *Statistical Yearbook of Greece* (Athens, 1963).

6. Ibid, *Recensement des Establissements Industriels et Commerciaux Effectué le 27 Septembre 1969* (Athens, 1971).

7. L. E. Preston, *op. cit.,* p. 50.

The geographical coverage extends down to the level of the *nomos*.

The 1958 census gives more detailed coverage by providing data on numbers of establishments and numbers employed, with a breakdown of the latter into employees-owners, family helpers and paid employees. Retail trade is divided into eight categories as follows:

Food, wine and drinks
Chemists, cosmetic and personal hygiene products
Textiles, clothing, footwear and leather products
Furniture and fixtures
Hardware
Cars, motor-cycles and bicycles
Petrol and diesel
Not classified

The geographical coverage of the various categories of retailing is more limited than in 1951. Data in kind-of-business detail are only provided for Greece as a whole, and for eight industrial centers. Otherwise the only data given are the aggregate totals for retail trade down to *eparchy* level.

The 1969 census has the greatest breakdown of activities although there is no classification of employment as in 1958. Retail trade is divided into nine main categories, most of which are further subdivided. The main categories are as follows:

Food, wine and drinks
Chemists, beauty and toilet products
Textiles, fabrics, clothes, footwear and
leather goods
Furniture and home firnishings
Hardware
Cars, motor-cycles and bicycles
Petrol and diesel
Large stores
Not classified

These are broadly similar to those of the 1958 census, with the one addition of Large Stores. The geographical breakdown is also much greater than previous ones, although the breakdown of activities by geographical unit is not consistent. A full breakdown of activities is given for the regions (which include here Greater Athens), and for nine Industrial Centres (Fig. 1), but only aggregate totals are given for other statistical units. It is difficult to judge the

reliability of the censuses, and there is no assessment given in their introductions.It is possible that the 1951 results are less reliable than those of 1958 and 1969, and therefore some differences in results may reflect simply improvements in coverage.

The Sectoral Structure of Retail Trade

The total recorded number of establishments in Greece increased from 81,965 in 1951 to 104,700 in 1958, a rise of 27.7 per cent, and then to 134,898 in 1969, a further rise of 28.8 per cent. Similarly, employment rose by 30.5 per cent from 138,168 to 180,237, and then by 31.8 per cent to 237,635 in 1969. Over the whole period 1951-69 the increases are of 64.6 per cent and 72.0 per cent in establishments and employment respectively.

Although the problems of intercensal comparability preclude a detailed analysis of changes within each sub-sector of retail trade, the most significant trend that clearly emerges is the declining importance of food and drink establishments relative to other establishment types (Table 1). This is the change that would in any case be expected in the light of the steady growth of real incomes since 1951. As incomes grow an increasing amount becomes available for the purchase of manufactured goods, and this is reflected in the improved provision of such goods through the establishment of new shops. The extent to which a change occurred in consumption patterns in the period 1951-65 is indicated by Preston's estimates of retail sales which were based on National Accounts data and adjusted by information from urban and rural household surveys[8]. Although it is difficult to compare directly most categories with those of the censuses, these estimates indicate that in the period 1951-65 there was a significant decline in the relevant importance of sales in the food, drink and tobacco category, and a rise in importance of the clothing and household goods categories. Moreover, with the continual growth of approximately 7 per cent per year that characterised the Greek economy up to 1972, there can be little doubt that such trends in consumption have continued.

The availability of data with which to estimate retail sales allowed Preston to make a tentative examination of productivity changes in Greek retailing by relating changes in sales to changes in numbers of establishments and employment. He estimated that in the period 1951-62 sales per establishment or worker increased 25 per cent (at constant prices), an increase of approximately 2 per cent a year if no substantial changes in average margins are assumed.

8. L. E. Preston, *op. cit.*, ch. 4.

This is low when compared to changes in productivity in manufacturing (6.5 per cent per year 1951-61) or agriculture (4.6 per cent per year 1951-61), but productivity improvements in distribution are in any case invariably less than those in manufacturing and agriculture because of small capital investment, the relative absence of technological innovation, and the uneven use of the labour input. The changes recorded in Greece in any case do compare satisfactorily with those in the distributive sectors of other economies.

While the experience of other countries confirms the tendency for the productivity of distribution to increase as economic growth progresses there are many views on what constitute the causes of this phenomenon. Ward has classified these into three groups, which he considers are mutually exclusive[9]. These are as follows:

1. Those views which emphasise technical advancement and improvements in efficiency made at the shop level. This may simply be the internal reorganisation of a shop, or the conversion of existing shops to self-service or self-selection methods of selling. The rate of technical advance is regarded either as being largely autonomous, or is seen as being greatly influenced by certain factors, especially conditions in the labour market, and the market for goods.

2. Those views which stress the gains accruing from the concentration of sales on fewer shops. The supposition is that excess capacity exists in the retail sector and a reduction in the number of shops would improve overall productivity. The mechanism leading to the elimination of excess capacity is a rise in the overhead costs of retail outlets (for example, labour costs, taxes) which reduces profits and forces the least profitable shops out of business.

3. Those views which suggest that productivity has increased because of a concomitant reduction in the activities peformed by the retail sector. In a study of retail trade in the United States, Schwartzman suggests productivity has been raised in two ways:

    (a) the increase in per capita incomes led consumers to buy more when they shopped, and the consequent increase in average transaction size was not associated with a proportional increase in service per transaction; and

9. T. S. Ward, *The Distribution of Consumer Goods: Structure and Performance*, University of Cambridge, Dept. of Applied Economics, Occasional Paper No. 38 (1973).

(b) the growth of productivity in retail trade may have
    lagged behind that in the economy as a whole, and
    the resulting increase in the price of retail service
    may have reduced the demand for service per transac-
    tion. A further aspect of this tendency is a decrease in
    the functions that need to be performed at the retail
    level as a result of such factors as the standardisation
    and prepackaging of products[10].

Of these three groups of views, the third is the one that can be considered
the most probable explanation of the improvements in the productivity of
Greek retailing. In the first place, there is considerable support for the idea
that productivity is related to establishment size. Among the economies most
relevant are those concerned with the imperfect divisibility of labour, manage-
ment and capital. Thus, for instance, larger shops are more likely to be able
to adjust their labour force to the prevailing level of demand and in addition
make use of specialised labour and management. Yet Greek shops are virtually
all organised on traditional lines: privately owned small businesses with low
turnover and profit margins are the norm. The 1969 census recorded only
twenty-six Large Stores in all of Greece, twenty-two of which were in Athens,
three in Thessaloniki, and one in Larissa. No count of self-service or self-
selection shops was made, but they too are found only in the large cities, and
most are small. Large multiple or co-operative retail shops do not exist, and
only a very small number of shop owners possess more than one establishment.
The dominance of this traditional structure, and its lack of change, is well
illustrated by data on average establishment size. As Table 2 shows, in 1951
the average size of all shop types was 1.7 persons per establishment, and in
1969 1.8 persons. Taken by business categories, there are likewise only marginal
changes, the only significant development being the emergence in 1969 of
the Large Store category with an average of 79.8 persons per establishment.
The breakdown of retail employment in the 1958 census also provides a valuable
pointer to the organisational structure of retail trade: 61.8 per cent were owners,
19.2 per cent were paid family helpers and only 19.0 per cent were salaried
employees.

The small size of shops is attributable to a number of factors:

1. Low per capita incomes which lead to small turnover, and low savings,
   which limit the amount of capital available for investment.

10. D. Schwartzman, *The Decline of Service in Retail Trade*, Bureau of Economic and
Business Research, Washington State University (1971).

2. A low level of entrepreneurial activity in this sector by corporate organisations.
3. The lack of alternative employment opportunities for the rural emigrant together with a low capital requirement which makes entry easy into retail trade. The attraction of retail trade for the investment of savings earned during temporary emigration or by the sale of land may also be related to various socio-cultural factors as well as to the lack of a well developed system of equity financing for investment in other enterprises.
4. Factors connected with the purchasing habits of consumers: for example, the willingness of consumers to make several types of purchase in the same shop, or their preference for being served by a series of specialised outlets. Credit ties may be a significant influence here.
5. In the food trade, government regulations fix high profit margins: for example, in the fruit and vegetable trade retailers are allowed a net profit margin of 35 per cent on cabbages and 30 per cent on bananas. Even these may be exceeded by the addition of an illegal "cap" to the maximum permitted prices.

Just as the first group of views regarding productivity increases in retailing cannot be said to apply in any degree to the Greek case, so the second group would not appear to be valid either. Rather than a decline in the relative provision of shops, there was, as Table 3 shows, a considerable increase. While a small part of this increase could possibly be attributed to improvements in census coverage, the trend of increasing provision is unmistakeable. This trend may be related primarily to the increasing demand for non-food items such as clothing, furniture and hardware since, in contrast, food shops are only marginally more common in 1969 than they were in 1951. This, together with the lack of increase in average establishment size, shows that the increasing demand for goods was met by an expansion of the number of outlets rather than by any changes in the scale or organisation of traditional shops. Another factor here is that many shops are operated as a supplementary source of income rather than the sole source, especially in the countryside.

The cause of the rise in productivity of Greek retailing must therefore be attributed to the third group of views. As Preston showed, retail sales at constant prices have risen faster than the number of outlets or employment, and so there has been a rise in sales per establishment or per employee. The rise in real incomes has resulted in transactions of a larger size, which is not

necessarily associated with a proportional increase in service per transaction since under the traditional structure this was already maximised. Standardisation and pre-packaging of products is developing in Greece, but is by no means as universal as in Western Europe or North America. For example, many goods such as hardware items are sold from small shops which are also the place of production. In food shops most basic commodities are still sold 'loose', and many of the packaged foods are items which are not traditionally part of the Greek diet. Hence the possibility of increasing productivity through corporate and organisational change is potentially very large.

The Spatial Structure of Retail Trade

There is a close logarithmic relationship between the population of *nomoi* and the amount of retail activity, whether the latter is measured by establishment numbers or employment (Fig. 2). This relationship is strong for all three dates for which data are available. Correlations are all very high and are significant at the 0.001 level:

1951	Log Es $= -2.34 + 1.07$ Log P	$r = 0.95$
	Log Em $= -2.75 + 1.18$ Log P	$r = 0.95$
1958	Log Es $= -1.94 + 1.00$ Log P	$r = 0.94$
	Log Em $= -2.27 + 1.01$ Log P	$r = 0.95$
1969	Log Es $= -1.71 + 0.98$ Log P	$r = 0.98$
	Log Em $= -1.87 + 1.05$ Log P	$r = 0.98$

Es $=$ number of retail establishments in *nomos*.
Em $=$ retail employment in *nomos*.
P $=$ population of *nomos*.

Two points may be noted from these equations. Firstly, the small decrease in regression coefficients from 1951 to 1969 may be interpreted as indicating an increase in retail activity in places with smaller populations relative to those with larger. With economic development this trend is to be expected, and probably reflects the increase in retailing outside the main towns. Secondly, the regression coefficients in the employment equations are slightly higher than those in establishment ones, which indicates a tendency towards larger establishments in the larger places. Investigation of the average size of establish-

ments might confirm this, but the difference is small: for example, in 1969 Attica had the largest average establishment size (2.08), while the smallest average sizes were found in the islands (for example, Samos, 1.29).

Despite the expected close relationship between population size and retail activity, changes in these variables do not display such high correlations. For instance, the correlation coefficient between percentage change in population 1951-71 and percentage change in establishment numbers 1951-69 is 0.66. In this period the largest population increase was in Attica, both in absolute and relative terms, while other *nomoi* registered only moderate increases or, in most, actual decreases of up to 33 per cent. Generally, the greatest decreases were in the islands and in the marginal areas of the mainland, and increases tended to be confined to the Athens/Thessaloniki axis[11].

The pattern of change in retail establishments is somewhat different (Fig. 3). All but one *nomos* showed increases in the number of establishments: the exception is Chios (Aegean Islands) which experienced a negligible decrease of —0.1 per cent. The increases range up to a maximum of 120.5 per cent (Pierias), with a mean rate of change of 51.1 per cent. All *nomoi* showed similar increases in retail employment, ranging from 6.4 per cent in Chios to 140.5 per cent in Trikala (Thessaly), with a mean rate of 62.6 per cent. A number of factors underlie this pattern. Firstly, there is the very important influence of population increases associated with economic development: the *nomoi* of Attica and Thessaloniki, for example, experienced rapid population growth in this period, and retail establishments increased in parallel with this. However, some of the largest increases in retail provision did not occur in areas of rapid population growth although it may be that these increases can be accounted for by relatively large improvements in local economies even if these may not be particularly significant at the national scale. Improvements in both the techniques and organisation of agriculture, and the introduction and expansion of commercial crops like sugar beet which need local processing, may be sufficient to account for the rapid increase in establishment numbers in Thessaly, for example, despite relatively modest population increases. Similarly, in order to support an increased number of retail establishments, some increase in economic output must have occurred even in those areas which had a net decline in their populations.

Another influence on the increase in retail activity in some *nomoi* may be the action of emigrants. Many areas have experienced large scale migration

11. P. Péychoux and M. Roux, Stagnation demographique et mouvement d'Urbanization en Grèce, *Mediterranée* (1972), 1-10.

either to places within Greece or abroad. Since 1950 much of the foreign emigration in particular has tended to be of a temporary nature, and a common source for the investment of savings made while working abroad is in a shop, which may often be in the emigrant's home village or town.

Variations in the degree of census coverage should also be remembered so that the very large increases in establishment numbers and employment in some of the less accessible parts of the country may be attributable in part to this. Alternatively, it should also be noted that the base year, 1951, was only two years after the end of a nine year period of hostilities (a civil war following the Axis occupation) which saw widespread devastation. It is possible, therefore, that some of the increases in retail activity may reflect only the reattainment of levels existing prior to this period rather than significant increases beyond these.

Figure 4 shows the level of retail provision, measured as number of shops per 1,000 people, by *nomoi* in 1969. There are considerable differences between *nomoi,* ranging from 10.2 in Rodhopi (Thrace) to 22.7 in Zante (Ionian Islands), but generally the highest levels are found in the islands, and the lowest in the poor, mountainous areas of the mainland. Retail provision has increased in all *nomoi* since 1951. In marginal areas this can be related in part to a declining population, but even in these places the numbers of retail establishments did increase absolutely even if only by a small amount, leading to an increase in the number of shops relative to population. Even in Chios, the decline of 0.1 per cent in establishments was far exceeded by a decline of 19.3 per cent in population, resulting in an increase in retail provision from 14.7 per 1,000 people in 1951 to 18.2 shops in 1969. Where population has increased, the increase in establishment numbers and employment has always been greater, so that in these areas too retail provision has improved. However, the degree of change in retail provision shows considerable variations: in Trikala (Thessaly), for example, there were 6.1 shops per 1,000 people in 1951, and in 1969 12.6; in Thessaloniki there were 13.5 shops in 1951, and 17.3 in 1969. Most interestingly, the change in Attica is relatively small: from 14.3 shops in 1951 to 15.7 in 1969. Since this is the region where the greatest amount of economic development has taken place, this would suggest that the productivity of retailing in the Athens area increased to a much greater extent than in other parts of the country. Indeed for some areas it must be doubted whether any positive change occurred, but the data available do not allow confirmation of this hypothesis.

A more detailed analysis of the spatial structure of retail trade can only be made by using the larger regions as the statistical unit. Examination of

the breakdown of establishments and employment by type of activity in 1969 shows that the characteristics of retail structure noted at the national scale were present when disaggregated into the nine regions. The relative importance of each group was the same in all the regions: Food/drink was the most important followed by the Unclassified group and then Clothing and Furniture. Compared with 1951, the considerable increase in the importance of all non-food retailing relative to Food/drink occurred in all the regions, although variations do exist between regions regarding the precise ratio between the two. In Central Greece (including Athens), for example, 46 per cent of shops were in the Food/drink category compared to 53 per cent in Macedonia, 62 per cent in Peloponnesia and 70 per cent in the Ionian Islands. These variations may be attributable to interregional variations in the level of economic activity: it has already been shown that the rise in real incomes has led on the national scale to an increase in the importance of non-food retailing, and so it follows that the proportion of regional retailing activity accounted for by non-food functions, and changes in this, should be related directly to the level of regional economic development. Data on per capita regional G.D.P. (Table 4) indicate that Central Greece (with Athens) is, by a considerable margin, the wealthiest area of the country and has consequently the highest proportion of non-food retailing. The relationship is less precise for the other regions, however, and the Spearman rank correlation coefficient between per capita G.D.P. in 1965 and non-food establishments as a percentage of the total in 1969 is only 0.39, which is not significant. This low correlation may be accounted for in part by the relatively small range of regional per capita G.D.P. excluding Central Greece, and such differences that do exist may not be sufficient to lead to significant differences in retail structure. It is also possibe that some other factors are involved: for example, the distribution of income among the population may be important, or the degree of spatial concentration of the population. Both of these suggestions may be tentatively tested by calculating the correlation coefficient between the retail ratios and the proportion of population classified as urban in the regions, assuming that urban population is wealthier than rural, and that a concentrated population is needed to fulfil minimum threshold requirements for some non-food functions. Between the 1969 retail data and 1971 population data the rank correlation coefficient is 0.93 (significant at the 0.01 level) which might confirm either one, or both, of the hypotheses. Again, however, the absence of more suitable data precludes a more thorough examination.

   The variation in retail provision noted above at the scale of the *nomos* for aggregate totals are revealed at the regional scale. The Ionian and Aegean

islands had the greatest retail provision in both 1951 and 1969, and Thessaly, Epirus and Thrace the least. The data confirm the increasing degree of retail provision in all areas and, where they are comparable, among all types of retail trade. A breakdown of type of activity shows clearly that the inter-regional differences are due primarily to differences in the number of Food shops rather than other types where provision is fairly similar: in 1969, for instance, Thrace had 6.3 food shops per 1,000 people, while the Ionian Islands had 13.7. It is difficult, however, to account for this considerable variation other than in terms of differences in social and economic traditions between regions.

Urban Areas

A detailed examination of the structure of retail trade in the largest towns and cities of the country can be made using data from the 1958 and 1969 censures. In 1958 eight Industrial Centres were identified, ranging from the Athens agglomeration (1961 population, 1,852,709) to Kavala (44,978). In the 1969 census the Athens agglomeration was tabulated separately as a region (1971 population, 2,540,241), and nine Industrial Centres were identified, Kozani (23,240) being the smallest.

There are very close relationships between the number of retail establishments and retail employment and the population of the cities. The following regression equations were obtained:

$$1958 \quad \text{Log } E_s = -1.52 + 0.95 \text{ Log } P \qquad r = 0.950$$
$$ \quad \text{Log } E_m = -1.40 + 0.98 \text{ Log } P \qquad r = 0.997$$

$$1969 \quad \text{Log } E_s = -1.38 + 0.93 \text{ Log } P \qquad r = 0.998$$
$$ \quad \text{Log } E_m = -1.38 + 0.99 \text{ Log } P \qquad r = 0.995$$

E_s = number of retail establishments in the city.
E_m = retail employment in city.
P = 1961 or 1971 population of city.

The very high correlations of almost 1.0 are notable and indicate a very consistent relationship between the variables among all sizes of town over the whole country: Athens is more than a hundred times larger than Kozani and has a more prosperous and greatly more complex economy. It is perhaps even more surprising since the population data are for the cities alone and not

for their hinterlands, which implies a close relationship between the size of city regions and the size of the central city.

The relative importance of each type of retail activity was the same in each city in both 1958 and 1969, and was the same as that found at the regional scale. The main difference is that non-food retailing was, not unexpectedly, more important in every town compared to its position at the regional scale where the data for urban and rural areas are combined. For example, in Athens 40 per cent of shops were in the Food/drink category while the proportion was 44 per cent in Volos, 46 per cent in Patras, 47 per cent in Thessaloniki and 52 per cent in Kozani. The difference between Kozani and the regional data for Macedonia in 1969 is very small which suggests that the importance of the larger urban centres (those above 40,000) in non-food retailing is greater compared to the smaller towns. Consideration of population thresholds would obviously be significant here, but even so the relationship between non-food shops as a percentage of the total is not precise. The rank correlation coefficient between the 1958 retail data and the 1961 population is —0.12, which is not significant. Between the 1969 retail data and the 1971 populations, the coefficient is 0.38, which is also not significant. Stronger relationships have been found in studies of Britain as a whole, and of central Scotland[12]. As well as reflecting differences in the threshold sizes of different goods, such relationships may also indicate the degree of dispersion of retail outlets and the extent people are prepared to travel to purchase different types of goods. It may therefore be that in a less developed economy such as Greece's these factors do not have such a strong impact on retail structures. The small average size of establishments may mean that even quite small towns may be above the threshold population for what are considered high order goods in more developed economies.

The sizes of urban retail establishments are mostly small although the average size (1.9 employees per shop) generally greater than that at the regional scale. Only marginal changes in average size occurred over the period 1958-69 and the uniformity in the nature of retail structure among towns of all sizes is emphasised. Athens tends to have slightly larger shops than the other towns (average size 2.1 employees per shop) but rank correlation coefficients between average establishment size and population are 0.22 for 1958 and 0.49 for 1969,

12. D. Thorpe, The main shopping centres of Great Britain in 1961: their locational and structural characteristics, *Urban Studies*, 5 (1968), 165-206, and M. J. Walker, *Spatial Variations in Retail Efficiency in Central Scotland* (unpublished M. Litt. thesis, University of Glasgow, 1972).

neither of which is significant. Thus there is no real strong confirmation for Greece of Smith's hypothesis that there is not one 'normal' size of shop in each trade, but rather a series of sizes adapted to the varying sizes of settlements[13]. Since there would seem to be a fairly close link between establishment size and productivity, it may be suggested tentatively that there are no great spatial variations in retail efficiency in Greece beyond saying that, overall, shops in urban areas may have slightly higher productivity than those in rural, and that those in Athens probably have higher productivity than those in the rest of the country.

There are considerable variations in the level of retail provision among the various towns in 1958 and 1969, and, as at the regional scale, this is due primarily to variations in the number of food shops. For instance, in 1969, Athens had 15.2 shops per 1,000 people, of which 6.1 were food, while Kozani had 20.8 shops per 1,000 people, of which 10.7 were food. There is a negative relationship to size: the larger the town the lower tends to be the number of shops per 1,000 people, although this relationship is not very close. The rank correlation coefficient between the two variables is —0.55 for 1958 and —0.53 for 1969, neither of which is significant. There is a stronger negative relationship, however, between the level of retail provision in 1969 and percentage change in the population of the towns 1961-1971. The rank correlation coefficient is —0.67, which is significant at the 0.05 level. This might indicate that the higher level of retail provision in some towns is due to people in retail trade being less likely to move from the place of residence than others, although it may alternatively indicate that the level of retail provision lags behind population growth: the market must first exist before a shop is set up. In support of this, Jefferys and Knee have noted that the number of inhabitants per retail establishment in new residential areas tends to be higher than in older areas[14].

Trends in Greek retailing

The most significant feature to emerge from the first part of the analysis was the lack of change in the size and organisational structure of shops in the 1951-69 period. A rising demand for goods was only met through the continual increase of establishment numbers and employment. Such evidence that exists on the productivity of retail trade suggests that the modest rises that took place can be attributed primarily to higher sales per transaction rather than

13. H. Smith, *Retail distribution: a critical analysis* (London, 1937).
14. J. B. Jefferys and D. Knee, *Retailing in Europe* (London, 1962).

to any underlying changes in the organisational and corporate structure of shops. Despite some notable spatial variations in shop provision and sectoral structure, the overall picture is one of considerable uniformity with only Greater Athens showing some limited signs of development. Although there have been no more recent data available for the analysis, we would expect intuitively that this picture has not changed substantially since 1969.

In view of the very large rises in real disposable income since 1951, this apparent lack of change in the retail sector might appear unusual. Certainly, the experience of Greece appears to contrast markedly with that of North America and most of Western Europe where developments in the organisational and corporate structure of retailing have been going on since the latter half of the last century and have been revolutionary in their size and scope[15]. Basically, these changes have involved a growing concentration of activity in multiple retail organisations and increases in the size of outlets. In the United Kingdom, for example, the share of the retail market commanded by multiples grew from less than 10 per cent in 1920 to more than 60 per cent in 1975. In France, where small traders have traditionally been strong, the market share of multiples has increased from 25 per cent to 35 per cent over the past ten years. Similar trends have been detected in other E.E.C. countries, and they correspond to the experience of North American retailing[16]. These changes in corporate structure have been paralleled by the introduction of new types of retail facilities. In Britain, for example, more than 200 comprehensively planned and managed town centre shopping schemes have been built since 1965, while in France there are now more than 300 out-of-town hypermarkets, mostly opened since 1970[17].

The principal stimulus to the development of large firms in distribution and the associated increase in the size of shop units is the need to improve the productivity of labour and capital. This is achieved in a number of ways, which Filop[18] has summarised as follows:

1. Integration of wholesale-retail functions, which leads to a reduction or elimination of some wholesaling costs.

2. Greater control over selling costs and methods.

15. See, for example, N. A. M. Dacey and A. Wilson, *The Changing Pattern of Distribution* (Oxford, 1965); and, D. Davis, *A History of Shopping* (London, 1965).

16. R. L. Davies (ed.), *Retail Planning in the Common Market* (London, forthcoming).

17. J. A. Dawson, Hypermarkets in France, *Geography* 61 (1976), 259-282.

18. C. Filop, *Competition for Consumers* (London, 1964).

3. The concentration of services: independent wholesalers have tended to cater for too many diverse types of customers and to distribute merchandise over a wide area in order to build up trade.

4. The employment of specialists: once an organisation reaches a certain size it becomes economic to employ specialists in the form of buyers, accountants, etc. whereas the small shopkeeper must perform all these tasks himself.

5. Large organisations can obtain quantity discounts and enlist the support of manufacturers for the supply of exclusive lines.

6. A large firm can more readily pass on market intelligence to suppliers.

A seventh advantage may be that, perhaps paradoxically, there is greater competition between large firms than small: in America Hollander[19] noted that small town dealers practise oligopolistic pricing policies and are not in effective competition with each other.

Over the eighteen year period of the statistical analysis there have been few signs that Greek retailers were attempting to derive these advantages. It may be suggested that this is too short a time to show any changes, but it is the same period that saw most change in western Europe and North America. In his study Preston did note the beginnings of some change in Greece (mainly in the Athens region) and he concluded by stating that 'it seems very unlikely that the traditional structure of retail trade in Greece can or should remain stable in the midst of a changing economic environment... Widening consumption opportunities will alter buying habits, and the living available in traditional outlets will be eroded in the process'[20]. Since then, and the 1969 census, further changes have been occurring: several small department stores have opened in central Athens and in Thessaloniki, and some medium sized supermarkets have appeared in the suburbs of Athens. In the provinces there appear now to be few of the larger market towns which do not have at least one self-service grocers shop (often called 'supermarkets', but in size rarely larger than the traditional shop). Although these limited changes in organisational structure and size of shops have been occurring, changes in corporate structure are less apparent. Individuals rather than incorporated firms are still overwhelmingly the main type of retail entrepreneur. The advantages of the large

19. S. C. Hollander, *Restraints upon Retail Competition*, Michigan State University, Bureau of Business and Economic Research, Marketing and Transportation Paper No 14 (1965).

20. L. E. Preston, *op. cit.*, p. 214.

firm in improving the economic performance and efficiency of retail trade are therefore still not being gained.

There are certain factors in Greece which suggest that the future pace of change is likely to continue to be much slower than in Western Europe or North America. As real incomes rise an expanding demand for durables should be reflected in a continuing shift in sectoral structure, but the growth of real incomes is unlikely to be sufficient in itself to lead to significant organisational or corporate changes. A more important factor here is the demand for labour in other sectors of the economy: George[21] found that towns in the United Kingdom with high retailing productivity were those with tight labour market conditions where retailers had to introduce new methods to make more profitable use of labour. The majority of Greek towns are strongly service-oriented, and their economies are rather stagnant, depending very much on the state of agriculture in their hinterland. In any case, because retail businesses are predominantly family owned and operated any expansion in local output is likely to mean some taking up of excess capacity rather than the transference of labour to other activities. Even then, such localised economic growth might lead to the establishment of further small shops, and any major retail innovation would involve much risk in such a context, especially where the whole question of consumer preferences is little understood. Only in Athens, and perhaps in Thessaloniki, where some tentative signs of change have been noted may there be any further advance, but even here the continuing dominance of the traditional structure and the tenacity of small shopkeepers in the face of adverse economic circumstances lend support to the view that change will not be rapid.

Conclusion

The traditional organisational structure of retail trade in Greece, and the slow rate of change in it which has been revealed by this analysis has implications for national economic planning policies. The high operating margins and consequent relative inefficiency which this structure must produce in the distributive system—and it is probably symptomatic of complete channels—is inevitably an impediment to national economic development. Although an influence in agricultural development, the structure of retail trade is perhaps even more important in the growth of the indigenous industrial sector. In

21. K. D. George, *Productivity in Distribution,* University of Cambridge, Department of Applied Economics, Occasional Paper No 8 (1966).

1963 Coutsoumaris considered that 'the absence of an articulated and well functioning distributive system is a major deterrent to industry's development'[22], and such a conclusion would still be valid today, especially for consumer oriented manufacturing. Considering the emphasis placed on the development of a modern, indigenous manufacturing sector in national economic planning, and its significance in the light of E.E.C. membership, it is surprising that so little emphasis has been given to the improvement of the distributive system. A more efficient system would lower the costs of goods to consumers and would also improve the glow of information between consumers and producers so that new products could be introduced more effectively and changes in the market responded to more quickly.

If additional investigations were to provide support for these conclusions then policies to encourage the reorganisation of retail trade (and perhaps also wholesale trade) could be implemented in two directions. Firstly, fiscal and other measures designed to penalize the high relative margin operator and/or encourage mergers and expansions could provide an institutional framework for encouraging more efficient operations. Secondly, physical planning policies to restrict the building of new retail establishments and control the use of existing ones might have a longer term impact. At the moment there are few restrictions on new building beyond controls on height. The inevitable result is undifferentiated and haphazard urban sprawl, especially in Athens and Thessaloniki. As far as retail trade is concerned, this may be an additional factor in accounting for the high growth rates in establishment numbers in Greece when compared with countries with planning controls where attempts are made to assess future retail floorspace requirements and control the numbers and/or size of new shops accordingly[23]. The implementation of such policies would have to be made within the context of a framework for effective urban land use planning in general. This is only in its initial stages in Greece and even for the specific case of retail trade, a great deal of basic data collection and technique development will still be necessary. Nevertheless, by controlling entry into retail trade through restricting building and zoning land uses, physical planning could potentially have an important role in encouraging change in this sector.

In the future, E.E.C. membership may introduce another element which will encourage change. There are considerable variations in retail structure

22. G. Coutsoumaris, *The Morphology of Greek Industry,* Centre for Planning and Economic Research (Athens, 1963).

23. See R. L. Davies, *op. cit.,* Ch. 8.

between the various member states but Community regulations make it easier for firms to set up in countries outside their home base[24]. The prospect therefore opens of experienced innovatory retail companies establishing branches in Greece although the risks may be similar to those of an indigeneous firm expanding, and distribution lines would be long if servicing took place from Western Europe.

Many of these conclusions must remain somewhat speculative, however, until much more is known about the character and dynamism of the distributive trades in the country in terms of both their position in the national economy and of their significance at the regional and sub-regional scales. A considerable amount of additional research activity into this sector is therefore necessary in order to provide a firmer base for the formulation of effective economic or physical planning policies. That there is a need for such policies in the light of the accession of Greece to the E.E.C. should not be open to doubt.

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24. National Economic Development Office, *The Distributive Trades in the Common Market* (London, 1973).

Retail establishments and employment in Greece
1951, 1958 and 1969

TABLE 1

1951

Sector	Establishments		Employment	
	Nos.	%	Nos.	%
Retail total	81,965	100	138,168	100
Food, drinks, tobacco	57,175	69.8	84,859	61.4
Clothing	10,186	12.4	23,116	16.7
Furniture	2,999	3.7	6,646	4.8
Fuel	1,961	2.4	3,444	2.5
Personal goods	2,452	3.0	5,711	4.2
Raw materials	4,872	5.9	10,346	7.5
Other goods	2,320	2.8	4,041	2.9

1958

Sector	Establishments		Employment	
	Nos.	%	Nos.	%
Retail total	104,700	100	180,237	100
Food, drink, wine	64,232	61.3	100,977	56.0
Chemists	1,593	1.5	3,804	2.1
Textiles, clothing	8,922	8.5	22,968	12.7
Furniture	2,815	2.7	6,976	3.9
Hardware	3,196	3.1	6,538	3.6
Cars, Cycles	808	0.8	2,034	1.1
Petrol, diesel	1,805	1.7	3,878	2.2
Not classified	21,329	20.4	33,062	11.9

1969

Sector	Establishments		Employment	
	Nos.	%	Nos.	%
Retail total	134,898	100	237,635	100
Food, drink, wine	71,721	53.2	113,960	48.0
Chemists	2,189	1.6	5,453	2.2
Textiles, clothing	13,389	9.9	33,281	14.0
Furniture	8,495	6.3	17,311	7.3
Hardware	5,353	4.0	10,464	4.4
Cars, Cycles	1,837	1.4	3,765	1.6
Petrol, diesel	3,223	2.4	7,490	3.2
Dept. Stores	26	0.02	2,075	0.9
Not classified	28,665	21.2	43,836	18.4

TABLE 2

Average size of retail establishments (persons per establishment)

1951

Sector	1951
Retail total	1.7
Food, drinks, tobacco	1.5
Clothing	2.2
Furniture	1.8
Fuel	2.3
Personal Goods	2.1
Raw materials	1.7
Other goods	2.3

1958, 1969

Sector	1958	1969
Retail total	1.7	1.8
Food, drinks, wine	1.6	1.6
Chemists etc.	2.4	2.5
Textiles, clothing	2.6	2.5
Furniture	2.5	2.0
Hardware	2.0	2.0
Cars, cycles	2.5	2.0
Petrol, diesel	2.1	2.3
Large stores	—	79.8
Not classified	1.6	1.5

TABLE 3

Retail establishments per thousand people

1951

Sector	1951
Retail total	10.8
Food, drinks, tobacco	7.6
Clothing	1.3
Furniture	0.4
Fuel	0.3
Personal goods	0.3
Raw materials	0.6
Other goods	0.3

1958, 1969

Sector	1958	1969
Retail total	12.5	15.5
Food, drinks, wine	7.7	8.2
Chemists etc.	0.2	0.3
Textiles, clothing	1.1	1.5
Furniture	0.3	1.0
Hardware	0.4	0.6
Cars, cycles	0.1	0.2
Petrol, diesel	0.2	0.4
Large stores	—	0.003
Not classified	2.5	3.3

TABLE 4

Gross Domestic Product, by regions, 1965

Region	Gross per capita product (in drachmas)	Index Greece = 100
Greater Athens	27,050	152.6
Central Greece	17,330	97.7
Peloponnesia	15,760	88.9
Ionian Islands	12,990	73.3
Epirus	10,930	61.7
Thessaly	12,940	73.0
Macedonia	15,410	86.9
Thrace	11,540	65.1
Aegean Islands	14,110	79.6
Crete	13,350	75.3

Source: Table 6.1, Ministry of Co-ordination, *Economic Development Plan for Greece, 1968-1972.*